GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1363
ANSWERED ON:08.03.2002
REVIVAL OF BURN STANDARD COMPANY AT SALEM
N.T. SHANMUGAM

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Burn Standard Company operating Magnesite Mines Salem in Tamil Nadu has beenawarded the Rehabilitation Scheme by BIFR;

(b) if so, whether employees of the Magnesite Unit are opposing the BIFR order;

(c) whether any representations have been received by the Government for withdrawal of BIFR Order; and

(d) if so, the reaction of the Government in this regard?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(DR. VALLABHBHAI KATHIRIA)

(a) BIFR had sanctioned a rehabilitation scheme of BSCL, which included the revival of threeunits at Howrah, Burnpur and Salem, vide an Order dated 16.4.1999.

(b) to (d): As the performance of BSCL as a whole, including that of Salem unit, was not as perthe targets fixed in the scheme, BIFR vide an Order dated 14.09.2001 declared the revival scheme as failed and directed the `Operating Agency` (OA) i.e. IDBI to invite offers for change of management in BSCL.The employees of Salem unit had represented against this Order of BIFRIn the BIFR hearing of BSCL held on 23.1.2002, the OA reported failure in their attempts forchange of management. Normally, in such a situation the BIFR issues winding up notice.However, on being informed that, in line with the existing policy of disinvestment in all non-strategic PSUs, the Government of India has already initiated action for joint venture formation in respect of BSCL, the BIFR granted extensior of time upto 30.09.2002. It is expected that the joint venture partner will bring in the necessary financial, technical and managerial inputs for the turnaround of the company.